

09/02/91

Financial Report

LAT Workforce Investment Board, Inc.

Houma, Louisiana

June 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the State's Budget Office of the Legislative Auditor General, where appropriate, at the office of the parish clerk of court.

Release Date 10/1/02

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LAT Workforce Investment Board, Inc.

June 30, 2001

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FINANCIAL SECTION



Bourgeois Benoit

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
LAT Workforce Investment Board, Inc.,
Bossier, Louisiana.

We have audited the accompanying general-purpose financial statements of LAT Workforce Investment Board, Inc., (the LAT), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the LAT's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of LAT Workforce Investment Board, Inc. as of June 30, 2001, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 2, 2001 on our consideration of LAT Workforce Investment Board, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of LAT Workforce Investment Board, Inc. taken as a whole. The accompanying combining fund financial statements for the year ended June 30, 2001 and schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of LAT Workforce Investment Board, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements for the year ended June 30, 2001 taken as a whole.

Bougie Bennett, LLC.

Certified Public Accountants

Stonem, L.L.C.,
November 1, 2001.

**COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS**

LAT Workforce Investment Board, Inc.

June 30, 2008

	Governmental Fund Type	Account Groups		Total
	Special Revenue	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
ASSETS AND OTHER DEBITS				
Assets				
Cash	\$ 3,187	\$ -	\$ -	\$ 3,187
Due from the State of Louisiana	119,760	-	-	119,760
Receivables - miscellaneous	640	-	-	640
Due from other funds	12,448	-	-	12,448
Fixed assets	-	806,955	-	806,955
Other Debits				
Amount to be provided for retirement of general long-term obligations	-	-	9,958	9,958
Total assets and other debits	<u>\$ 135,995</u>	<u>\$ 806,955</u>	<u>\$ 9,958</u>	<u>\$ 952,908</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable and accrued expenditures	\$ 123,612		\$ -	\$ 123,612
Due to other funds	21,448		-	21,448
Accrued unpaid compensated absences	-		9,958	9,958
Total liabilities	<u>145,060</u>		<u>9,958</u>	<u>155,018</u>
Equity and Other Credits				
Investments in general fixed assets		\$ 806,955		806,955
Fund balance-unreserved		-		-
Total equity and other credits	<u>-</u>	<u>806,955</u>	<u>-</u>	<u>806,955</u>
Total liabilities, equity and other credits	<u>\$ 145,060</u>	<u>\$ 806,955</u>	<u>\$ 9,958</u>	<u>\$ 962,973</u>

See notes to financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND**

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$ 2,365,877</u>	<u>\$ 1,521,318</u>	<u>\$ (844,559)</u>
Expenditures - Economic Opportunity			
Current:			
Administrative:			
Personal services	162,663	137,358	25,315
Supplies and materials	4,480	7,967	(3,487)
Other services and charges	289,620	83,868	175,811
Repairs and maintenance	19,153	7,870	12,883
Capital outlay	<u>-</u>	<u>31,418</u>	<u>(31,418)</u>
	595,916	267,574	328,342
Program distributions to subgrantees for reimbursement of training related/ supportive services	<u>1,971,941</u>	<u>1,233,744</u>	<u>711,297</u>
Total expenditures	<u>2,567,857</u>	<u>1,501,318</u>	<u>\$ 1,066,539</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**LAT Workforce Investment Board, Inc.**

June 30, 2001

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of LAT Workforce Investment Board, Inc., conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The United States Congress passed legislation repealing the Job Training Partnership Act of 1982 (JTPA) and replaced it with the Workforce Investment Act (WIA). In the implementation of WIA, the State of Louisiana chose to create local Workforce Investment Boards to replace the local Private Industry Councils established under JTPA to administer federal financial assistance grants in the local area.

Effective July 1, 2000, LAT Workforce Investment Board, Inc. (the LAT) serves as the local Workforce Investment Board for the Parishes of Lafourche, Assumption and Terrebonne. The governing authorities for the three Parishes agreed in the "Workforce Investment ACT (WIA) Chief Elected Official Agreement" that the Lafourche Parish Council (the Parish) will serve as the local grant recipient. Furthermore, the Louisiana Department of Labor and the Parish signed a cooperative endeavor agreement in which the LAT has been designated as the Parish's grant subrecipient and fiscal agent. The LAT was incorporated as a non-profit corporation on April 1, 2000 and is a component unit of the Lafourche Parish Council. For the period April 1, 2000 through June 30, 2000 the corporation was inactive.

The LAT receives the revenue reported in its Special Revenue Funds from federal financial assistance grants provided by WIA, Title I-II and a Workforce-To-Work Formula Grant as pass-through grants directly from the State of Louisiana Department of Labor.

The LAT has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting

The LAT uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by aggregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental Fund

Governmental Funds are those through which the governmental functions of the LAT are financed. The acquisition, use and balance of the LAT's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the LAT:

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Account Group

Account groups are used to establish accounting control and accountability. The LAT's Account Groups are as follows:

General Fixed Assets Account Group - This account group is used to account for fixed assets not accounted for in proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is used to account for general long-term obligations and certain other liabilities that are not specific liabilities of proprietary or trust funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) *Basis of Accounting*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. *Basis of accounting* relates to the timing of the measurements made, regardless of the measurement basis applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as not current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is accumulated unpaid vacation and sick pay which is recognized when due.

The Louisiana Department of Labor reimburses the LAT on a reimbursement for actual expenditures paid basis.

d) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

e) *Operating Budgetary Data*

The LAT is a quasi-governmental entity which is not legally required to adopt budgets. A budget for each Special Revenue Fund is submitted to the respective state grantor departments for approval. Funding is from intergovernmental grants received from the Louisiana Department of Labor. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board and the Louisiana Department of Labor. All budget amounts which are not expended, or obligated through contracts, become available for use in future program years, subject to the provisions of the grant program.

The Special Revenue Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Accounts Receivable

The financial statements for the LAT contain no allowance for uncollectible accounts. Uncollectible accounts are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts, if any, are not considered to be material in relation to the financial position or operation of the funds.

g) Fixed Assets

Fixed assets used in governmental fund type operations (fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other fixed assets. No depreciation has been provided on fixed assets.

All fixed assets are valued at historical cost.

h) Vacation and Sick Leave

Accumulated vacation and sick leave are recorded as an expenditure of the period in which paid in all governmental funds.

Employees can earn twelve, eighteen or twenty-four days per year vacation leave, depending on their length of employment. Accumulated vacation leave benefits are due to the employee at the time of termination or death. The vacation policy provides that employees are to take vacation within one year of being earned, but after January 1 of the following year. Employees may accumulate and carry forward no more than 40 hours of annual leave from one calendar year to the next.

Employees earn five hours of sick leave per month and are permitted to accumulate up to 120 hours of sick leave from one calendar year to the next. Accumulated sick leave benefits are due to the employee at the time of termination or death.

Accumulated vacation and sick leave benefits are reported as a liability in the General Long-Term Obligations Account Group.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Long-Term Obligations

Long-term obligations expected to be financed from governmental funds, including accumulated vacation and sick leave are accounted for in the General Long-Term Obligations Account Group, not in the governmental funds.

The General Long-Term Obligations Account Group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

ii) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the LAT.

k) Memorandum Only-Total Columns

The total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations, in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - CASH AND INVESTMENTS

The LAT is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. At year end, the LAT's carrying amount of deposits was \$3,183 and the bank balance was \$18,171. The entire bank balance of \$18,171 was covered by federal depositary insurance (Category I).

Note 3 - DUE FROM THE STATE OF LOUISIANA

Amounts due from the State of Louisiana-Department of Labor at June 30, 2001 totaled \$129,782.

Note 4 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund receivables and payable at June 30, 2001 consist of the following:

<u>Individual Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Special Revenue Funds:		
Adult Fund	\$ -	\$32,448
Youth Fund	8,821	-
Dislocated Worker Fund	11,303	-
5% Incentive Fund	2,568	-
Welfare-to-Work Fund	33,154	-
Totals	\$32,448	\$32,448

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjust- ments</u>	<u>Balance June 30, 2001</u>
Office furniture, equip- ment, and fixtures	\$695,896	\$31,389	\$1,612	\$ 2,100	\$697,813
Machinery equipment	111,242	-	-	42,000	153,242
Totals	\$717,138	\$31,388	\$1,612	\$ 2,100	\$838,855

The deletions relate primarily to obsolete computer and other electronic equipment disposed pursuant to instructions from the Louisiana Department of Labor. The adjustments relate to reclassification of fixed assets.

In the implementation of W.I.A., all fixed assets of the Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc., the local administrative entity for JTPA, transferred to the LAT. The LAT serves as the custodian of all fixed assets used in the administration of W.I.A. in the local workforce area. The LAT allows its subcontractors the use of office furniture and equipment to perform necessary services in accordance with the regulations of W.I.A.

Note 6 - LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations of the LAT for the year ended June 30, 2001:

Long-term obligations, July 1, 2000	\$ -
Net increase in accumulated unpaid vacation and sick leave	<u>9,958</u>
Long-term obligations, June 30, 2001	<u>9,958</u>

Note 7 - OFFICE RENTAL

Office space is rented on a month-to-month basis. Rental expenditures incurred on the office amounted to \$6,836 during the year ended June 30, 2001.

Note 8 - ECONOMIC DEPENDENCY

The LAT receives its revenue from funds provided through grants administered by the Louisiana Department of Labor. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state levels, the amount of the funds the LAT receives could be reduced significantly and have an adverse impact on its operations.

Note 9 - RISK MANAGEMENT

The LAT is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the LAT carries commercial insurance. No settlements were made during the year that exceeded the LAT's insurance coverage.

Note 10 - IN-KIND CONTRIBUTIONS

The Wellness-to-Work program requires a state-wide match. The Louisiana Department of Labor has informed the LAT that it can only provide 50 percent of the required match and has requested the LAT to provide cash and/or in-kind services for the remainder of the match. The LAT has not recorded any amounts in the financial statements for the

Note 10 - IN-KIND CONTRIBUTIONS (Continued)

value of donated services because there is no objective basis available to the LAT to measure the value of such services. However, for the year ended June 30, 2001 the LAT placed a value of approximately \$327,140 on these services for record keeping purposes. While these contributions have not been reported, the offsetting expenditures have also not been reported.

Note 11 - EMPLOYEE RETIREMENT PLAN

The LAT established a SIMPLE IRA Plan (the Plan) for each participating employee to provide retirement benefits to the employee pursuant to Section 408(p) of the Internal Revenue Code. The individual retirement accounts are the property of the participating employees. Participating employees may contribute an amount of their compensation, not to exceed statutory limits. The LAT matches 100% of the employee contributions not to exceed 5% of the employee's compensation. During the year ended June 30, 2001, the LAT made contributions to the participating employee accounts totaling \$5,169.

Note 12 - COMMITMENTS

On June 30, 2001, LAT had \$29,951 of outstanding contracts to fund training/supportive services programs.

Note 13 - COMPENSATION OF BOARD OF DIRECTORS

No compensation was paid to Directors of the LAT Workforce Investment Board, Inc. for the year ended June 30, 2001.

SPECIAL REVENUE FUNDS

Adult Fund - To account for funds received under Title I-B of the Workforce Investment Act. Funds are used to increase the employability of economically disadvantaged adults through participation in classroom and on-the-job training and work experiences. In addition, employer outreach, job search and direct placement activities are conducted.

Youth Fund - To account for funds received under Title I-B of the Workforce Investment Act. Funds are used to increase the employability of economically disadvantaged youth through participation in classroom and on-the-job training, work experiences and exemplary youth programs. In addition, employer outreach, job search and direct placement activities are conducted.

Dislocated Worker Fund - To account for funds received under Title I-B of the Workforce Investment Act. Funds are used to increase the employability of dislocated workers through classroom training and on-the-job training programs.

5 % Incentive Fund - To account for funds received under Title I-B of the Workforce Investment Act. Fund are used to provide employment and training activities for eligible youth and adults and/or administrative purposes.

Welfare-To-Work-Fund - To account for funds received under the Welfare-to-Work Grant. Funds are used to target the hard to employ and to assure the appropriate activities and services are provided to help these participants achieve self-sufficiency.

SUPPLEMENTARY INFORMATION SECTION

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

LAT Workforce Investment Board, Inc.

June 30, 2000

	<u>Adult Fund</u>	<u>Youth Fund</u>	<u>Dislocated Worker Fund</u>	<u>5% Incentive Fund</u>
Assets				
Cash	\$ 3,857	\$ -	\$ -	\$ -
Due from the State of Louisiana	73,333	27,334	-	400
Receivables - miscellaneous	643	-	-	-
Due from other funds	-	8,821	11,385	2,168
Total assets	<u>\$ 77,163</u>	<u>\$ 36,575</u>	<u>\$ 11,385</u>	<u>\$ 2,568</u>
Liabilities				
Accounts payable and accrued expenditures	\$ 44,715	\$ 36,575	\$ 11,385	\$ 2,568
Due to other funds	<u>32,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	77,163	36,575	11,385	2,568
Fund Balances				
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 77,163</u>	<u>\$ 36,575</u>	<u>\$ 11,385</u>	<u>\$ 2,568</u>

<u>Welfare- To-Work Fund</u>	<u>Total</u>
\$ -	\$ 3,187
28,285	129,382
-	683
<u>18,354</u>	<u>32,448</u>
<u>\$ 38,449</u>	<u>\$ 166,060</u>
\$ 38,449	\$ 133,612
-	<u>22,448</u>
38,449	166,060
<u>-</u>	<u>-</u>
<u>\$ 38,449</u>	<u>\$ 166,060</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS**

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2000

	<u>Adult Fund</u>	<u>Youth Fund</u>	<u>Discounted Worker Fund</u>
Revenues			
Intergovernmental:			
State of Louisiana:			
Department of Labor	<u>\$ 445,879</u>	<u>\$ 341,982</u>	<u>\$ 276,743</u>
Expenditures - Economic Opportunity			
Current:			
Administrative:			
Personnel services	27,048	48,349	42,272
Supplies and materials	991	918	1,210
Other services and charges	14,768	43,639	15,469
Repairs and maintenance	689	1,688	1,369
Capital outlay	-	-	-
	<u>43,596</u>	<u>96,594</u>	<u>60,220</u>
Program distributions to subrecipients for reimbursement of training related/ supportive services	<u>403,373</u>	<u>345,436</u>	<u>319,523</u>
 Total expenditures	<u>445,879</u>	<u>341,982</u>	<u>379,743</u>
 Excess of Revenues Over Expenditures	-	-	-
 Fund Balances			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>5% Incentive Fund</u>	<u>Wellness- to-Work Fund</u>	<u>Total</u>
<u>\$ 38,696</u>	<u>\$ 426,018</u>	<u>\$ 1,521,318</u>
51	19,898	137,568
2,007	2,449	7,567
2,879	8,004	83,669
1,341	369	7,070
<u>31,418</u>	<u>-</u>	<u>31,418</u>
38,696	30,346	267,574
<u>-</u>	<u>369,422</u>	<u>1,253,744</u>
<u>38,696</u>	<u>426,018</u>	<u>1,521,318</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL-
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
LAT Workforce Investment Board, Inc.,
Houma, Louisiana.

We have audited the general-purpose financial statements of LAT Workforce Investment Board, Inc., (the LAT), a component unit of Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2001, and have issued our report thereon dated November 2, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the LAT's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the LAT's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting:

would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the LAT in a separate letter dated November 2, 2001.

This report is intended for the information and use of the Board of Directors, management, the State of Louisiana, the Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Burgess Bennett, L.L.C.

Certified Public Accountants

Houma, La.,
November 2, 2001.



BOURGEOIS BUREAU

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors,
LAT Workforce Investment Board, Inc.,
Houma, Louisiana.

Compliance

We have audited the compliance of LAT Workforce Investment Board, Inc., (the LAT), a component unit of Lafourche Parish Council, State of Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 (Compliance Supplement) that are applicable to each of its major federal programs for the year ended June 30, 2001. The LAT's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the LAT's management. Our responsibility is to express an opinion on the LAT's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the LAT's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the LAT's compliance with those requirements.

In our opinion, the LAT complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of the LAT is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the LAT's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and it's the opinion that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Directors, management, the State of Louisiana, the Legislative Auditor for the State of Louisiana and federal receiving agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bourque Bennett, LLC

Certified Public Accountants

Houma, La.,
November 2, 2001.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2001

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Department of Labor			
Pass-Through Payments:			
Louisiana Department of Labor:			
Workforce Investment Act Title I-B*	17.255	OCR 8474-080958	\$ 1,895,360
Workforce-To-Work	17.255	OCR 8474-880273	416,038
Total			<u>\$ 1,511,398</u>

- * Grantees who received funding under the Job Training Partnership Act (JTPA) Cluster may transfer unused JTPA funds to W.I.A. for the transition to and implementation of W.I.A. Such funds are subject to the same terms and conditions as W.I.A. funds. During the year ended June 30, 2001, the auditors transferred and utilized approximately \$100,000 of JTPA Title II (CFDA 17.240) and \$143,808 of JTPA Title III (CFDA 17.246) funds for W.I.A. expenditures.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LAT Workforce Investment Board, Inc.

June 30, 2001

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of LAT Workforce Investment Board, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

Note 2 - FINDINGS OF NONCOMPLIANCE

No federal award findings or questioned costs reported during the audit for the year ended June 30, 2001.

Note 3 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the LAT Workforce Investment Board, Inc. provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number(s)</u>	<u>Amount Provided to Subrecipients</u>
Workforce Investment Act Title I-B	17.355	\$ 158,102
Wellness-To-Work	17.353	285,432
Total		<u>\$443,534</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2001

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 508(a) of Circular A-133? yes X no

c) Identification of Major Programs:

CFDA Number(s)

Name of Federal Program

17.255

Workforce Investment Act Title I-B

17.263

Workforce-To-Work

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2001

Section I Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between type A
and Type B programs:

\$100,000

Auditor qualified as low-risk auditor?

___ yes X no

Section II Financial Statement Findings

No financial statement findings were noted during the audit of the general-purpose financial statements for the year ended June 30, 2001.

A management letter was issued in connection with the audit of the general-purpose financial statements for the year ended June 30, 2001. See management letter points 00-1, 01-2, and 01-3.

Section III Federal Award Findings and Questioned Costs

No federal award findings or questioned costs were noted during the audit of the general-purpose financial statements for the year ended June 30, 2001.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2001

LAT Workforce Investment Board, Inc. commenced operations on July 1, 2004; accordingly, the "Schedule of Prior Year Findings and Questioned Costs" is not applicable.

MANAGEMENT'S CORRECTIVE ACTION PLAN

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2001

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were noted during the audit of the general-purpose financial statements for the year ended June 30, 2001.

No reportable conditions were reported during the audit of the general-purpose financial statements for the year ended June 30, 2001.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended June 30, 2001.

Section II Internal Control and Compliance Material to Federal Awards

No findings or questioned costs were noted during the audit of the general-purpose financial statements for the year ended June 30, 2001.

Section III Management Letter

- 01-1 **Recommendation** - We recommend that surety bond coverage be obtained and maintained for the three administrative employees of the LAT as soon as possible.

Management's Corrective Action - The LAT will investigate the costs and obtain coverage as soon as possible.

- 01-2 **Recommendation** - We recommend that LAT's Board of Directors be furnished with pertinent financial reports on a regular basis for approval.

Management's Corrective Action - The LAT's administrative staff will prepare and submit regular monthly financial reports to the Board of Directors for review and approval.

MANAGEMENT'S CORRECTIVE ACTION PLAN

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2001

Section III Management Letter (Continued)

- 41-3 Recommendation - We recommended that the LAT monitor its actual expenditures on a regular basis and amend its budgeted expenditures accordingly.

Management's Corrective Action - The Board will review the LAT's actual expenditures on a regular basis and amend the LAT's budget on a periodic basis.



Bourgeois Bennett

To the Board of Directors,
LAT Workforce Investment Board, Inc.,
Houma, Louisiana.

We have audited the general-purpose financial statements of the LAT Workforce Investment Board, Inc. (the LAT), as of and for the year ended June 30, 2001, and have issued our report thereon dated November 2, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. In planning and performing our audit, we considered the LAT's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the general-purpose financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters, which represent material opportunities for strengthening internal controls. The memorandum that accompanies this letter summarizes our suggestions and recommendations regarding these matters. We previously reported on the LAT's internal control in our report dated November 2, 2001. This letter does not affect our report dated November 2, 2001 on the general-purpose financial statements of the LAT.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with the LAT, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Bourgeois Bennett, LLC

Certified Public Accountants

Houma, La.,
November 2, 2001.

2001/11/02/00000000_00000000
LAT Workforce
Investment Board, Inc.
Houma, Louisiana
Bourgeois Bennett, LLC
Bourgeois Bennett, LLC

Certified Public
Accountants (Chartered)
a Limited Liability Company

2001/11/02/0000
Bourgeois Bennett, LLC
Houma, Louisiana
Bourgeois Bennett, LLC
Bourgeois Bennett, LLC

2001/11/02/0000
Bourgeois Bennett, LLC
Houma, Louisiana
Bourgeois Bennett, LLC
Bourgeois Bennett, LLC

MANAGEMENT COMMENTS

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2001

- 01 - 1 **Suggestion** - The three administrative employees of the LAT Workforce Investment Board, Inc. are not covered by a surety bond or other insurance policy. These employees initiate and disburse funding for federal grant assistance programs.

Recommendation - We recommend that surety bond coverage be obtained and maintained for the three administrative employees of the LAT as soon as possible.

- 01 - 2 **Suggestion** - The Board of Directors of LAT Workforce Investment Board, Inc. should receive and approve financial reports prepared by the administrative staff reporting current program financial activities on a regular monthly basis. Currently, the Board of Directors does not receive such reports for review and approval.

Recommendation - We recommend that the LAT's Board of Directors be furnished with pertinent financial reports on a regular basis for approval.

- 01 - 3 **Suggestion** - Financial budgets should be used by the organization to effectively plan and manage finances. Even though the LAT is not subject to state laws pertaining to budget participation, a budget is required by the state grantor to plan and manage grant expenditures. When management sees that actual results will differ greatly from budgeted amounts, then the budget should be amended by action of the Board.

Recommendation - We recommend that the LAT monitor its actual expenditures on a regular basis and amend its budgeted expenditures accordingly.